



EXPANDING HOMEOWNERSHIP OPPORTUNITIES

NEW DIRECTIONS IN NATIVE AMERICAN HOUSING... ...the program of the future



NATIVE AMERICAN HOUSING BLOCK GRANTS

TRANSITION REQUIREMENTS AND NEGOTIATED RULEMAKING

The Federal Register, dated January 27, 1997, contains the Transition Requirements and Negotiated Rulemaking for implementation of the new Housing Block Grant Program. This Notice, and a subsequent Notice published February 24, contains several key dates for calendar year 1997:

September 1: Final program regulations required to be issued

October 1: Native American Housing & Self-Determination Act (NAHSDA) becomes effective

October 1: "Old" system of funding/Housing Act of 1937 expires

November 3: Indian Housing Plans must be submitted

This Notice--to ensure that there is sufficient time for tribes to prepare their Indian Housing Plans (IHPs) and for HUD/ONAP to review them--contains the requirements for the information that must be included in IHPs and the timetable for their submission. These are extremely short time frames, and they will require Tribes/IHAS to start immediately to prepare their IHPs.

The Notice also outlines the treatment of some activities and funding under programs that will be repealed on October 1, 1997.

TRIBAL HOUSING PLANS ...WHERE TO START...

The January 27, 1997, Transition Notice on the new NAHSDA, provided that Indian Housing Plans must be submitted no later than June 1, 1997. A new Notice, dated February 24, 1997, extends the Indian Housing Plan submission date to no later than November 3, 1997.

Following is a reprint from the materials used during the Second Annual Native American Homeownership Summit (December 9-11, 1996) that outlines the steps necessary to develop a comprehensive housing plan for a tribe.

STATUTORY PROVISIONS FOR A COMPREHENSIVE HOUSING PLAN

The plan shall include (but is not limited to) the following information:

△ **Goals and Objectives.** A statement of the goals and objectives to be accomplished during that period.

△ **Statement of Needs.** A statement of the housing needs of the low-income Indian families residing in the jurisdiction of the Indian tribe and the means by which such needs will be addressed during the period, including--

- ✧ A description of the estimated housing needs for assistance for the low-income families in the jurisdiction, including a description of the manner in which the geographical distribution of assistance is consistent with their geographical needs. Also, describing the Tribe's need for various categories of housing assistance; and,
- ✧ A description of the estimated housing needs for all Indian families in the jurisdiction.

STEPS IN DEVELOPING A STATEMENT OF NEEDS

- Define your jurisdiction.
- Map your jurisdiction.
- List all possible types of housing.
- List all community facility needs.
- List, separately, infrastructure improvements and community service needs.
- Reduce these lists to a survey.
- Develop a plan to get the survey out to the people within the jurisdiction. This plan will, at a minimum, include community meetings and public hearings.
- Allow enough lead time so that this survey can lay a foundation for additional Plan requirements:
 - ✧ Current Inventory
 - ✧ Population Survey
 - ✧ Management Needs

SUBSIDY CANNOT FUND TRIBAL HOUSING PLANS

A determination has been made that Mutual Help subsidy funds cannot be requested and/or used for preparation of a Tribal/TDHE Housing plan. These funds are not available for any planning purposes.

FISCAL YEAR DATES FOR TRIBES & TDHEs

ONAP has had inquiries regarding IHAs wishing to change fiscal year ending dates to accommodate changes in operations in conjunction with the up-coming Housing Block Grant Program.

At this time, the National ONAP staff are working to address the issue of fiscal audits under the new program; and, until these discussions are completed and determinations have been made, the local ONAPs have been instructed not to approve any fiscal year end changes. It is also noted, that if in the future such fiscal year end changes are approved, they will not affect the amount of subsidy received by the IHA--for example, it will not increase the amount of FY 1997 subsidy to extend the fiscal year for one or more quarters.

PLAN AHEAD

The Environmental Protection Agency reports, in its first nationwide survey of water utilities, that Native Americans and Alaska Natives will need \$1.3 billion over the next 20 years to ensure the availability of safe drinking water for

their communities.



PARTNERS IN HOMEOWNERSHIP

Working Together to Build the American Dream

STREAMLINED PROCESSING OF IHLGP LOANS

Outlined below are major changes to the processing of Section 184/Indian Housing Loan Guarantee Program (IHLGP) mortgage loans. The changes, that were effective April 1, are intended to streamline the processing for these loans; and, in turn, encourage lenders to originate more IHLGP loans:

- △ The HUD Processing Center in Pasadena has been closed.
- △ The National ONAP has assumed responsibility for underwriting all IHLGP loans, and the Director, Office of Loan Guarantee, is now the Chief Underwriter. Lenders should submit loan files for processing and address all program questions to the National ONAP in Denver, CO.
- △ Tribal eligibility, land status, and lease questions should still be referred to the local ONAP.
- △ The pre-qualification stage of loan processing has been eliminated, and lenders originating IHLGP loans will now request a case number from the National ONAP. Copies of request forms are available from the National ONAP and on the Internet.
- △ The IHLGP Guidebook is being revised to reflect the recent statutory and processing changes. The new Guidebook will be mailed to participating lenders as soon as printing is completed; additional copies will be available from the local and National ONAP offices.

HUD is currently preparing new training materials and will be developing regional training schedules in the near future. In the meantime, questions concerning these changes or the program should be directed to the local ONAP or Internet mail to: Sec184_loans@hud.gov

NEW HOMEOWNERSHIP OPPORTUNITIES IN ALASKA

Alaska lending institutions closed 48 IHLGP loans in FY 1997 (through March 31) making a total of 100 IHLGP loans closed since the inception of the program. Loans have been closed in 21 different cities/villages with 9 lending institutions participating.

In addition, the Cook Inlet HA has closed on 117 HOME loans. The combination of both the IHLG and HOME Programs has resulted in 217 families experiencing the dream of homeownership.

The Alaska ONAP developed a variety of IHLG Program resource kits which are specifically geared to Native American families, lenders, real estate agents, or Native organizations. The Homeownership Resource Kits were distributed by ONAP staff at the Anchorage, Juneau, and Fairbanks Home Shows. The kits were very valuable in answering a myriad of questions about Native American/Alaska Native homeownership.

The Alaska ONAP has submitted an innovative proposal to the HUD Training Academy for funding of satellite distance learning opportunities through the University of Alaska in Anchorage. Increased communication and training of Alaska's 232 tribal entities is critical at this time. Satellite distance learning is the most viable and cost effective option for meeting the needs of Alaska's remote villages.

MORE NEW IHLGP UNITS

Twenty four IHLGP Certificates were issued for loans made on the Navajo and White Mountain Apache Reservations by Funders Mortgage, First National Bank, BancOne Mortgage Corporation, and Bank of America.



The Eastern Woodlands ONAP has approved the conversion of 48 rental units to homeownership by the Choctaw IHA thereby increasing the opportunity for homeownership among their Tribal members.



The surge in the popularity and acceptance of the Section 184 IHLGP--which provides Native Americans with their first opportunity to become homeowners and obtain a mortgage on their reservations--is clearly evident in the area served by the Northwest ONAP. Over \$9 million in Section 184 IHLGP loans are in the prequalification phase.